Factors influencing organization commitment: Internal marketing orientation, external marketing orientation, and subjective well-being

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Factors influencing organization commitment: Internal marketing orientation, external marketing orientation, and subjective well-being

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Abstract

Purpose – The purpose of this paper is to investigate the effects of internal marketing orientation, external marketing orientation, and subjective well-being on the affective organizational commitment of frontline employees.

Design/methodology/approach – Previous research was used to develop hypotheses and develop a questionnaire for this project. An online survey was completed by 108 frontline employees.

Findings – The hypothesized model of all three variables having positive effects on organization commitment was supported. Internal marketing orientation, external marketing orientation, and subjective well-being were significant predictors of affective
organizational commitment.

Research limitations/implications – A key limitation of this study is the cross-sectional, data collection design. A longitudinal study would allow for increased confidence when evaluating causal inferences with this type of data.

Practical implications – This paper identifies how managers may be able to use internal marketing orientation, external marketing orientation, and subjective well-being as potential tools to increase the affective organizational commitment of frontline employees.

Social implications – This paper demonstrates the importance of subjective well-being as an important component of life for an employee and success of the organization.

Originality/value – This paper extends current research on affective organizational commitment by testing a new model that includes internal marketing orientation, external marketing orientation, and subjective well-being as predictor variables.

Keywords
Organizational commitment, Subjective well-being, Frontline employees, Internal marketing orientation, External marketing orientation

Introduction
One of the work-related attitudes that people have toward the organizations in which they work is their organizational
commitment. This concept is concerned with the degree to which people are involved with their organizations and are interested in remaining with them (Klein et al., 2009). Although three distinct forms of organizational commitment have received research attention and have thus been labeled as affective, continuance, and normative commitment (Meyer et al., 2002), it is affective organizational commitment that has the most effect on an organization’s attitudinal and financial performance (Ferdous et al., 2013; Gong et al., 2009) and an employee’s organizational identification and commitment (Kimpakorn and Tocquer, 2010).

Affective commitment represents the strength of an employee’s desire to remain in their organization and to work for that organization because she (he) endorses what the organization stands for and is interested in supporting its mission, goals, and values (Allen and Meyer, 1990; Kimpakorn and Tocquer, 2010). Any organizational member who has a high level of affective commitment would be greatly concerned with how well their organization performs financially. Within the field of marketing and a burgeoning service-oriented economy that now accounts for over 70 percent of the gross national products in the USA and Canada (Rust et al., 1996), these service-oriented organizations need to attract and retain external customers to ensure a sustainable competitive advantage. To achieve these customer orientation and financial performance objectives, organizations must focus their attention on emphasizing internal frontline employees aimed at trying to derive high external customer satisfaction and loyalty (Barnes and Morris, 2000; Iyer and Johlke,
The intimation is that organizations should put their frontline, internal customer-facing employees first because external customer loyalty can occur only if service organization employees subscribe and adopt this external customer relationship building orientation (Bansal et al., 2001). This suggests that external marketing and internal marketing need to be linked and that both marketing orientations can have an impact on an employee’s affective commitment. However, there is little research that investigates both of these marketing orientations on organizational commitment. Internal marketing and organizational commitment have received most of the marketing orientation-related research emphasis (Bansal et al., 2001; Hall et al., 2016; Lee et al., 2015; Mainardes and Cerqueira, 2015; Yang et al., 2015).

Prior research has indicated that internal marketing orientation and employee well-being have received independent research confirmation for their predictive effect on employee affective commitment, the exception being external marketing orientation. However, there has been no study in which all three factors were identified and investigated as antecedents of affective commitment for service-oriented organizational employees. After a literature review and modeling hypotheses have been presented, this study then reports on the methodology and data and their results and discussions. It concludes with comments, limitations, and recommendations for further studies.
Literature review

Internal marketing orientation

Internal marketing is a planned effort to overcome organizational resistance to change and to align, motivate, and integrate employees toward the effective implementation of corporate and functional strategies, and therefore, is a management philosophy rather than a short-lived campaign (Rafiq and Ahmed, 1993). There is a need for collaboration between marketing and HR activities in order to establish and align employee’s behaviors with brand values (Punjaisri and Wilson, 2007). Internal marketing has been studied from two distinct points of view including the job satisfaction of employees (Berry, 1981) and the creation of a customer orientation (Grönroos, 1983). We have focused on the latter construct by Grönroos in order to address the managerial requirements of workforce retention.

More than three decades ago, internal marketing was introduced as a tool to raise the quality of services provided (Mainardes and Cerqueira, 2015) and was visualized as employees being internal customers and their activities represented the inner products of the organization such that one of the emphasis areas of organizations should be on providing internal products that satisfy the needs and desires of these internal customers, given the organization’s goals (Berry, 1981). The way to achieve employee satisfaction was to treat them as customers (Berry et al., 1976) and these internal customers, like external customers, wished to have their needs met, thus increasing the
possibility of generating external satisfaction and loyalty (Rafiq and Ahmed, 2000).

There are numerous studies that found the internal marketing concept having a positive effect on organizational commitment. Kyriazopoulos et al. (2007) confirmed the relationship using branches of a bank. Farzad et al. (2008) found the relationship supported by employees among Iranian financial service organizations. Hung and Lin (2008) supported the positive relationship among employees in Taiwan International Hotel industries. Hall et al. (2016) found that frontline employee perceptions of product and service quality in their US business-to-business service firm were positively related to organizational identification, which in turn, was positively related to employee affective commitment.

Therefore, we propose that:

\[ H1. \] Internal marketing orientation is positively related to employee affective organizational commitment.

**External marketing orientation**

External marketing is part of the organization’s marketing orientation along with its internal marketing and tries to influence organizational performance and frontline employees in a number of ways. Some external marketing programs/practices are tactical initiatives related to improving promotions, packaging, labeling, positioning, or the product itself (Andrews and Smith, 1996) whereas, other programs/practices are relationship-focused ranging from trying to enhance customer loyalty, electronic order-processing interfaces,
customized packaging/products, or trying to enhance social engagement initiatives between organizational internal marketing employees and external customers (Palmatier et al., 2007).

As a tandem programmatic focus in the management of service-oriented organizations and the development of customer-oriented organizational cultures, both internal marketing and external marketing programs/practices are needed. The literature is highly suggestive that the most appropriate marketing and HR management strategy is to develop and implement internal marketing aspects in order to achieve positive internal frontline employee outcomes which, in turn, will guide the organization to better respond to the (Herington et al., 2006).

Within the marketing literature, no research was found indicating a direct external marketing-affective organizational commitment relationship. The implication of an organization’s external marketing orientation implies that frontline employees are critical for product and service delivery (Baker et al., 2014) and greatly influence the service encounter perceptions of the customer (Luk and Layton, 2002), the customer’s emotional states (Hennig-Thurau et al., 2006), and the customer’s level of satisfaction (Gounaris, 2006; Lings and Greenley, 2005). It would seem reasonable to conclude that if these factors resulted in a highly successful organizational external marketing culture, frontline customer-oriented employees would increase their affective commitment to their organization because they would have been instrumental in helping create the affective outcomes, performance outcomes, and strong organization-customer
relationships they and management had tried to achieve. Therefore, we propose that:

H2. External marketing orientation is positively related to employee affective organizational commitment.

Employee subjective well-being

A person’s well-being unifies all the factors that affect the health of the person as well as the quality of their working lives, thus, it is a summative characteristic of a worker or workforce and can also be tied to affecting attributes of the workplace such as recruitment, retention, employee development, and other employee engagement factors (Ryan and Deci, 2001; Schulte et al., 2015; Schulte and Varnio, 2010). It generally is meant to describe a flourishing worker who enjoys a fulfilling work life having benefitted from a safe, supportive workplace and having engaged in satisfying work (Michaelson, 2011; Schulte et al., 2015).

The definitions of well-being may be objective, subjective, or some composite of both. Our focus in this study is on subjective well-being that is multifaceted and includes evaluative and experienced well-being (hedonic) and eudaimonic well-being. Hedonic and eudaimonic well-being refer to a person’s perceptions of meaningfulness, sense of purpose, and value of his/her life (National Research Council, 2013). Specifically, for the work environment, subjective well-being identifies people’s feelings about themselves in their job and general feelings about their life (Hassan et al., 2009; Warr, 1999).
Well-being at work has implications for both the worker (employee) and the employer to provide safe and healthful work environments, but there are also well-being implications for the workforce as a whole, for the population in general and for the national economy overall (Prochaska et al., 2011; Robertson and Cooper, 2011; Schulte and Varnio, 2010).

One of the models addressing adverse subjective well-being as a factor influencing other outcomes, namely, job stress, uses an effort-reward imbalance model (Siegrist, 1996). This model addresses the effort workers put into their jobs and the rewards they get and when rewards comport with their efforts, the worker’s well-being is increased (Siegrist, 1996).

Therefore, we propose that:

\[ H3. \text{ Frontline employees’ subjective well-being will be positively related to their affective organizational commitment.} \]

**Methodology**

Sales associates from product- and service-oriented businesses were contacted through members of the Chamber of Commerce in a Midwestern city of the USA. The members of the Chamber included a wide variety of employers ranging from sales representatives of manufacturers to sales associates for professional service firms. Employees from each organization were invited to complete an online survey that resulted in 122 responses with 108 usable surveys included in the final sample. A majority of the respondents in the sample were male (69 percent), under the age of
50 years old (64 percent), full-time employees (87 percent), and had an income level of over $50,000 per year.

**Organizational commitment**

Organizational commitment has been defined as a multi-dimensional construct related to workplace performance and affective organizational commitment (Wright and Bonett, 2002). For this study, organizational commitment was operationalized as an employee’s emotional desire to stay with an organization rather than a calculated decision based on perceived costs of leaving the organization or a sense of obligation. The seven-point Likert-type scale for organizational commitment was adapted from Allen and Meyer’s (1990) scale of affective organizational commitment. Sample items include “I enjoy discussing my organization with people outside it” and “I do not feel emotionally attached to this organization (reverse coded).” Respondents indicated the extent of their agreement with each item on a seven-point Likert-type scale (1 ¼ strongly disagree, 7 ¼ strongly agree). The Cronbach’s $\alpha$ found for this scale in our study was 0.893.

**Internal marketing orientation**

Collectively, employee perceptions of an organization lead to the development of organizational culture and can be a critical component of success for a salesforce (Hogg et al., 2010). Internal marketing orientation can be described as the recruitment, development, and motivation of employees (Berry and Parasuraman, 1991).
Organizations utilize internal marketing to motivate employees to offer customers’ high-quality services (Kotler, 1994). A three-item scale for internal marketing was adapted from Huang and Chen (2013). Sample questions include “My company has invested a great deal in my career development” and “I have frequent opportunities to learn about new and more effective ways of doing my job.” Respondents indicated the extent of their agreement with each item on a seven-point Likert-type scale (1 = strongly disagree, 7 = strongly agree). The Cronbach’s $\alpha$ found for this scale in our study was 0.719.

**External marketing orientation**

The cultural and behavioral aspects of external marketing orientation have been explored in terms of customer satisfaction, customer relationship management, and organizational performance. The focus of this project is on the inter-organizational climate of the buyer-seller interaction and how external marketing influences the organizational commitment of salespeople. External marketing orientation is defined as the identification and satisfaction of customers more effectively than the competition (Day, 1994; Kirca et al., 2005). The ten-item scale for external marketing orientation was adapted from Grewal et al. (2010). Sample questions include “Our strategy for competitive advantage is based on understanding our customers’ needs” and “We are more customer-focused than our competitors.” Respondents indicated the extent of their agreement with each item on a seven-point Likert-type scale (1 = strongly disagree, 7 = strongly agree).
strongly agree). The Cronbach’s $\alpha$ found for this scale in our study was 0.920.

**Subjective well-being**

Diener (1984) defined subjective well-being as an individual’s cognitive and affective assessments regarding their life satisfaction. The scale for this study was adapted from Campbell (1976) and has been shown to be reliable and valid (George, 1981). Respondents provided ratings of their well-being using a seven-point, eight-item semantic differential scale with paired adjectives. Examples of the paired adjectives include boring-interesting, enjoyable-miserable, useless-worthwhile, and discouraging-hopeful. The Cronbach’s $\alpha$ found for this scale in our study was 0.882.

**Analysis**

Table I summarizes descriptive statistics and bi-variate correlations for the variables included in this project. As expected, significant and positive correlations with organizational commitment were found for internal marketing ($r = 0.621$, $p < 0.01$), external marketing ($r = 0.552$, $p < 0.01$), and subjective well-being ($r = 0.463$, $p < 0.01$). In addition, positive and significant correlations were found among marketing orientation, subjective well-being, and buyer orientation.

Ordinary least-squares regression analysis with organization commitment as the dependent variable was used to
demonstrate the influence of internal marketing orientation, external marketing orientation, and employee subjective well-being. In addition to the predictor variables outlined in this study, we included age, education, and gender as covariates in this analysis. Results of the regression analysis are summarized in Table II. Model 1 included control variables of education, age, and gender. The control variables did not have a significant relationship with organizational commitment ($F \neq 0.875, p > 0.05$) and an $R^2$ of 0.025.

<table>
<thead>
<tr>
<th>Table I. Descriptive statistics and correlations</th>
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<td>-------</td>
</tr>
<tr>
<td>1 Organizational commitment</td>
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<tr>
<td>2 Internal marketing</td>
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<tr>
<td>3 External marketing</td>
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<td>4 Subjective well-being</td>
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Notes: $n = 108$. Cronbach's $\alpha$ in parentheses. **$p < 0.01$

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Model 2</th>
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<tbody>
<tr>
<td>$\beta$</td>
<td>$t$-value</td>
</tr>
<tr>
<td>Control variables</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.614**</td>
</tr>
<tr>
<td>Education</td>
<td>0.046</td>
</tr>
<tr>
<td>Age</td>
<td>0.122</td>
</tr>
<tr>
<td>Gender</td>
<td>-0.005</td>
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Independent variables

| Internal marketing | 0.442 | 5.506** | |
| External marketing | 0.238 | 2.975** | |
| Subjective well-being | 0.302 | 4.114** | |

$R^2$ 0.025 0.551

$F$ 0.875 20.662**

Notes: $B$ = standardized $\beta$ coefficient. **$p < 0.01$

Model 2 included each of the predictor variables including internal marketing, external marketing, and subjective well-being. The results for model two were statistically significant ($F = 20.662, p < 0.01$) and an $R^2$ of 0.551. H1-H3 were supported with significant results for internal marketing, external marketing, and subjective well-being as predictors of organizational commitment.

$H1$ stated that internal marketing orientation is positively
related to employee affective organizational commitment and was supported by the analysis ($t = 5.505, p < 0.01$). The results are consistent with previous research that indicates meeting the needs of employees increases the potential for increasing organizational loyalty or commitment. $H2$ stated that external marketing orientation is positively related to employee affective organizational commitment and was supported by the analysis ($t = 2.975, p < 0.01$). This is consistent with research that indicates that frontline customer-oriented employees would increase their affective commitment if external marketing has been instrumental in helping create strong organization-customer relationships. $H3$ stated that frontline employees’ subjective well-being will be positively related to their affective organizational commitment and was supported by the analysis ($t = 4.114, p < 0.01$). This is consistent with research that employee well-being can be attributed to a flourishing worker with increased levels of organizational commitment.

We also analyzed interactions of predictor variables as potential drivers of organizational commitment and none of the interactions were statistically significant.

**Discussion**

This study was conducted with the purpose to determine the influence of internal marketing orientation, external marketing orientation, and employee well-being on the organizational commitment of frontline sales associates. The findings of this study provide support for the framework of the relationships and
hypotheses proposed. As predicted, the positive, direct relationship between internal marketing orientation and affective organizational commitment in $H1$ was supported. The results were consistent with previous service industry and frontline employee studies which demonstrated that a significant relationship exists between internal marketing orientation and organizational commitment.

As stated in $H2$, the study identified that external marketing orientation is positively related to organizational commitment. Whereas, most of the marketing literature has focused on affective commitment being important as a mediator of relational antecedents and outcomes, such as an organization’s financial and business success (Hennig-Thurau et al., 2002), there is no research in this literature indicating a relationship between external marketing orientation and organizational commitment. Thus, this study is significant in that it adds this important relationship to the marketing research literature.

Finally, the positive, hypothesized relationship of employee subjective well-being and affective organizational commitment is supported in this study. Subjective well-being and organizational commitment appeared as dependent variables in a secondary analysis of workers in 34 European countries using the independent variable of the importance of organizational level decision latitude (Dhondt et al., 2014). Within the marketing literature, no direct relationship between employee subjective well-being and affective organizational commitment has been adequately researched.
Employees play other roles in organizations besides being internal customers. One such role from a marketing and HR management perspective is that salespeople are boundary spanners who act on behalf of the consumer internally and on behalf of the organization in their interaction with customers (Conduit et al., 2014). Should the salespeople be characterized as having a subjective, psychological well-being state, in which they realize their abilities, can cope with the normal stresses of life, can work productively and fruitfully, and strongly feel that they can make a contribution to the organization and to their customers, they should be able to have stronger affective organizational commitment and can act as confident boundary spanners.

Thus, this research has extended previous research findings on the positive relationship between affective organizational commitment and internal marketing orientation, but is now suggestive that frontline service employees should have their affective organizational commitment relationships investigated with regard to their external marketing orientation and subjective well-being.

Limitations and suggestions for future research

The principal limitation of this study was the cross-sectional, data collection design. Causal inferences cannot be drawn from the data collected in this fashion and a longitudinal study would allow for a higher degree of confidence when examining this kind of data (Ghadi et al., 2013). Beyond the need for longitudinal studies,
future research could be expanded to international markets, unique product categories, and different organizational cultures such as continuance and normative commitment cultures in which an internal marketing orientation, external marketing orientation, and employee well-being are entered as independent variables.

What is well recognized and documented in prior research is that adopting and implementing both an external marketing orientation and internal marketing orientation enhance organizational performance (e.g. Conduit et al., 2014). However, jointly pursuing both internal and external marketing orientations has received limited empirical investigation. An organization’s internal marketing orientation offers the chance to educate and train employees so that they can develop and sustain an organizational culture that emphasizes internal customer well-being as a means to attract and retain external customer patronage (Bansal et al., 2001).

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**Further reading**


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